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**TREEMONT WATER DISTRICT  
 Choctawhatchee, Louisiana**

**Annual Financial Statements**

**As of and for the Year Ended  
 June 30, 1963**

Under provisions of statute, this report is a public document. Agency of state officers have submitted the audit and other appropriate public officials. The report is available for public inspection at the State Budget Office of the Louisiana Auditor and, where appropriate, at the office of the parish clerk of record.

Release Date 9-24-63

*M. Carleton Dumas*  
 CERTIFIED PUBLIC ACCOUNTANT

**TREEMONT WATER DISTRICT**  
**Choudrant, Louisiana**

**Annual Financial Statements**

*As of and for the Year Ended June 30, 2005*

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*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

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**Accountant's Compilation Report**

BOARD OF COMMISSIONERS  
TREEMONT WATER DISTRICT  
Choudrant, Louisiana

I have compiled the accompanying basic financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Treemont Water District as of June 30, 2003, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and schedules, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

As described in Note 1 to the basic financial statements, the Treemont Water District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2003. This results in a change in the format and content of the basic financial statements for the year ended June 30, 2003.

*Carleen Dumas*

Caliborn, Louisiana  
September 16, 2003

**TRIFMONT WATER DISTRICT**  
**Choudrant, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2003**

Our discussion and analysis of Trifmont Water District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2003. Please read it in conjunction with the District's financial statements that begin on page 4.

**BASIC FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

- a. Management's discussion and analysis (MD&A)
- b. Statement of net assets
- c. Statement of revenues, expenses, and changes in net assets
- d. Statement of cash flows
- e. Notes to the financial statements
- f. RSI other than MD&A, if applicable

The Trifmont Water District is a special-purpose government engaged only in business-type activities.

**Enterprise Fund Financial Statements**

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and the changes in them. Net assets - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net assets are an indicator of whether the District's financial position is improving or deteriorating.

**TREEMONT WATER DISTRICT**  
Choudrant, Louisiana  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2003

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating activities, capital and related financing activities and investing activities.

**COMPARATIVE ANALYSIS OF  
FINANCIAL DATA**

Operating revenues increased \$8,934 or 22% over last year's operating revenues. Operating expenses increased \$4,794 or 14% over last year's operating expenses. The largest increase in expenses was depreciation expense which was an \$4,568 increase due to a change in the estimated useful life of the water system.

**OVERALL FINANCIAL POSITION**

The District's net income before the cumulative effect of a change in net assets due to a change in the estimated useful lives of capital assets was \$3,316. Unrestricted net assets (those assets available to finance the daily operations of the district) were \$82,963 at year end. The amount invested in capital assets, net of related debt was \$344,492 at year end. Net assets restricted for debt service were \$16,287 at year end.

**CAPITAL ASSETS AND DEBT**

**Capital Assets**

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$169,859. Capital assets include the water system and equipment costing \$300 or more. There were no capital asset additions during the year. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

**Debt**

At year end the District had \$125,437 in revenue bonds payable. Additional information about the District's debt is presented in Note 5 to the financial statements.

**ECONOMIC FACTORS**

The District anticipates no significant changes in revenue or expenditures during the year ending June 30, 2004. The District expects its net assets to increase approximately \$5,600 for the year ending June 30, 2004.

## BASIC FINANCIAL STATEMENTS

TREMONT WATER DISTRICT  
Choudrant, Louisiana

STATEMENT OF NET ASSETS  
June 30, 2010

**ASSETS****Current assets:**

Cash	\$58,416
Accounts receivable - water sales	6,138
Total current assets	<u>64,554</u>

**Noncurrent assets:****Restricted assets:**

Cash - contingency account	2,387
Investment - reserve account	8,800
Property, plant and equipment (net of accumulated depreciation)	199,929
Total noncurrent assets	<u>211,116</u>
Total assets	<u>275,670</u>

**LIABILITIES****Current liabilities:**

Accounts payable	1,454
Accrued interest payable	168
Revenue bonds payable - current	1,540
Total current liabilities	<u>3,162</u>

**Long-term liabilities - revenue bonds payable**

Total liabilities	<u>122,699</u>
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**NET ASSETS**

Invested in capital assets, net of related debt	144,492
Restricted for debt service	10,287
Unrestricted	62,963
Total net assets	<u>\$212,722</u>

See accompanying notes and accountant's compilation report.

TREMONT WATER DISTRICT  
Choudrant, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS  
For the Year Ended June 30, 2003

**OPERATING REVENUES**

Water sales	\$47,715
Membership fees	450
Other income	737
Total revenues	<u>48,902</u>

**OPERATING EXPENSES**

Office expense	1,345
Contract labor	7,196
Fees	150
Insurance	300
Professional services	644
Supplies and parts	968
Water purchases	13,479
Water loss	364
Advertising	198
Depreciation	14,340
Total operating expenses	<u>40,869</u>

**OPERATING INCOME**8,033**NON-OPERATING REVENUES (Expenses)**

Interest earned on deposits	823
Interest expense	<u>(5,117)</u>
Total non-operating revenues	<u>(4,294)</u>

Income before cumulative effect of a change  
in accounting principle

3,739

Cumulative effect on prior years of changing  
the estimated useful lives of capital assets

(25,841)

Change in net assets

(21,695)

**NET ASSETS - BEGINNING**

139,417

**NET ASSETS - ENDING**

\$117,722

See accompanying notes and accountant's compilation report.



TRELMONT WATER DISTRICT  
Choudrant, Louisiana

STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2003

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$47,160
Payments to suppliers	<u>(26,752)</u>
Net cash provided by operating activities	<u>20,408</u>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES**

Principal paid on capital debt	(1,538)
Interest paid on capital debt	<u>(6,515)</u>
Net cash used by capital and related financing activities	<u>(7,982)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earnings on bank deposits	823
Increase in restricted cash	<u>(811)</u>
Net cash provided by investing activities	<u>12</u>

**NET INCREASE IN CASH** 13,218

**CASH AT BEGINNING OF YEAR** 45,218

**CASH AT END OF YEAR** \$58,446

**Reconciliation of Operating Income to Net Cash  
Provided by Operating Activities**

Operating Income	<u>\$8,510</u>
Adjustments:	
Depreciation	14,340
Increase in accounts receivable	(2,647)
Increase in accounts and taxes payable	<u>108</u>
Total adjustments	<u>11,799</u>
Net cash provided by operating activities	<u>\$20,409</u>

See accountant's compilation report and accompanying notes.

**TREDMONT WATER DISTRICT**  
**Choudrant, Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2000**

**INTRODUCTION**

Tredmont Water District was created by the Lincoln Parish Police Jury on October 8, 1991, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the district. The district was shared and enlarged by the Lincoln Parish Police Jury on August 22, 1995. All existing water distribution lines in the service area were abandoned and efforts to officially organize the Tredmont Waterworks District were begun in April 1996. On August 5, 1997 the construction of the system was substantially completed and the system began providing water service to residents in the district. The district is governed by a five member board appointed by the police jury to serve indefinite terms of office. The district has no employees and serves approximately 125 customers.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Tredmont Water District is considered a component unit of the Lincoln Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Statements**

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (BSI) consist of:

1. Management's discussion and analysis (MD&A)
2. Statement of net assets
3. Statement of revenues, expenses, and changes in net assets
4. Statement of cash flows
5. Notes to the financial statements
6. BSI other than MD&A, if applicable

The Tredmont Water District is a special-purpose government engaged only in business-type activities.

See accountant's compilation report.

**TRIMONT WATER DISTRICT**  
**Notes to the Financial Statements**

**B. Measurement Focus, Basis of Accounting, and  
Financial Statement Presentation**

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Trimont Water District has elected not to follow subsequent private-sector guidance.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of the Trimont Water District are water sales revenues and membership fees. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Deposits and Investments**

Cash includes amounts in interest-bearing demand deposits. State law allows the district to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2003, the district's investments consist of a nonnegotiable certificate of deposit with an original maturity that exceeds 90 days that is reported in the accompanying financial statements at cost.

**D. Receivables**

Receivables for water sales are normally shown net of an allowance for uncollectible amounts. These financial statements contain no provision for uncollectible accounts. The district is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

See accountant's compilation report.

**TREMONT WATER DISTRICT**  
**Notes to the Financial Statements**

**E. Restricted Assets**

Certain resources of the Enterprise Fund that are set aside in compliance with the revenue bond covenants are classified as restricted assets on the balance sheet because their use is limited.

**F. Capital Assets**

Capital assets, which include the original water system and equipment are reported in the enterprise fund financial statements. All of the district's capital assets are capitalized at historical cost. The Tremont Water District maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - water system	25 years
Equipment	3-10 years

**G. Long-term Obligations**

In the business-type activities fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

**H. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. DEPOSITS IN FINANCIAL INSTITUTIONS**

At June 30, 2003, the district has cash and investments (book balances) as follows:

See accountant's compilation report.

**TREMONT WATER DISTRICT**  
**Notes to the Financial Statements**

Interest bearing checking accounts	\$58,446
Interest bearing savings account	1,267
Investments - certificates of deposit	<u>8,000</u>
Total	<u>\$68,713</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At June 30, 2003, the Tremont Water District has \$68,713 in deposits (collected bank balances). These deposits are secured from risk by \$68,713 of federal deposit insurance.

**3. ACCOUNTS RECEIVABLE**

At June 30, 2003, the district has receivables of \$6,139 as follows:

Water sales	\$6,139
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$6,139</u>

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2003, is as follows:

	Balance at July 1, 2002	Increases	Decreases	Balance at June 30, 2003
Capital assets being depreciated:				
Water system	\$151,868			\$151,868
Equipment	4,950			4,950
Total capital assets being depreciated	<u>156,818</u>	<u>NONE</u>	<u>NONE</u>	<u>156,818</u>
Less accumulated depreciation for:				
Water system	68,028	\$14,073		82,100
Equipment	4,321	265		4,786
Total accumulated depreciation	<u>72,349</u>	<u>14,340</u>	<u>NONE</u>	<u>86,689</u>
Total assets being depreciated, net	<u>\$284,269</u>	<u>(\$14,340)</u>	<u>NONE</u>	<u>\$269,929</u>

See accountant's compilation report.

**TREMONT WATER DISTRICT**  
**Notes to the Financial Statements**

Depreciation expense of \$14,340 for the year ended June 30, 2003 was reported in the enterprise fund statement of revenues, expenses, and changes in net assets.

**5. LONG-TERM OBLIGATIONS**

The following is a summary of long-term debt transactions for the year ended June 30, 2003:

	<u>Revenue Bonds Payable</u>
Long-term obligations payable at July 1, 2002	\$126,775
Additions	NONE
Reductions	<u>(11,332)</u>
Long-term obligations payable at June 30, 2003	<u>\$115,437</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of June 30, 2003:

	<u>Revenue Bonds Payable</u>
Current portion	\$1,540
Long-term portion	<u>123,897</u>
Total	<u>\$125,437</u>

All debt at June 30, 2003, in the amount of \$125,437 is one outstanding issue of long-term revenue bonds dated March 7, 1997, in the amount of \$151,000 to provide financing for the construction of the water system. The loan bears interest at 4.875 percent. The principal and interest is being repaid in monthly installments of \$633. Bond principal and interest payable in the next fiscal year are \$1,540 and \$6,053, respectively. The final payment is due February 20, 2017. The interest to maturity is approximately \$127,030. The bonds are due as follows:

Year Ending June 30,	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2004	\$1,540	\$6,053	\$7,593
2005	1,617	5,976	7,593
2006	1,698	5,895	7,593
2007	1,782	5,811	7,593
2008	1,871	5,722	7,593

See accountant's compilation report.

**TRIMMONT WATER DISTRICT**  
**Notes to the Financial Statements**

Thereafter	<u>\$116,928</u>	<u>\$82,479</u>	<u>\$214,402</u>
Total	<u>\$125,437</u>	<u>\$132,000</u>	<u>\$257,437</u>

**6. ACCOUNTING CHANGES**

Accounting changes made during the year involve a change in accounting estimate due to changing the estimated useful life of the water system from 40 years to 25 years. The cumulative effect on prior years of changing the useful lives of these assets is \$25,011 and is reported on the statement of revenues, expenses, and changes in net assets for the year ended June 30, 2003.

**7. RISK MANAGEMENT**

The district purchases commercial insurance to reduce the risk of loss resulting from loss of property. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

**8. AGREEMENT WITH THE VILLAGE OF CHOUDRANT**

On September 17, 1998, the Trimmont Water District entered into a water purchase contract with the Village of Choudrant. The contract provides that the district will purchase treated water from the Village of Choudrant at a cost of \$1 per 1000 gallons of water. The contract is for a period of forty years. The water rate to be paid by the district is subject to modification at the end of each year. During the year ended June 30, 2003, the district paid the Village of Choudrant \$15,479 for water purchases.

**SUPPLEMENTAL INFORMATION SCHEDULES**

See accountant's compilation report.



**TRIMMONT WATER DISTRICT**  
**Cloutier, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES**  
*As of and For the Year Ended June 30, 2009*

**STATUS OF PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in Schedule 1.

**CURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 2.

TREEMONT WATER DISTRICT  
Choudrant, LouisianaSTATUS OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2003

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action
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There were no prior year findings.

See accountant's compilation report.

TREDMONT WATER DISTRICT  
Crescent, LouisianaCURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2003

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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There are no current year findings.

TREEMONT WATER DISTRICT  
Choudrant, Louisiana  
ANNUAL SWORN FINANCIAL STATEMENTS  
AND CERTIFICATION OF REVENUES \$50,000 OR LESS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2003

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AFFIDAVIT

Personally came and appeared before the undersigned authority, Hilda Lee, who, duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Treemont Water District as of June 30, 2003, and the results of operations for the year then ended, in accordance with basis of accounting described within the accompanying financial statements.

In addition, Hilda Lee, who, duly sworn, deposes and says that the Treemont Water District received \$50,000 or less in revenues and other sources for the fiscal year ending June 30, 2003, and, accordingly, is not required to have an audit for the previously mentioned fiscal year-end.

[Signature]

Secretary-Treasurer

Sworn to and subscribed before me, this 17<sup>th</sup> day of September, 2003.

[Signature]  
NOTARY PUBLIC



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